

Senator Kelly is one of the 22 members of the Senate bipartisan group that reached a \$1.2 trillion infrastructure agreement, now called the *Infrastructure Investment and Jobs Act*. He was part of working groups made up of Senators to draft specific portions of the legislation, including those focusing on water and power infrastructure, superfunds and brownfields, permitting, and wildfire mitigation.

Senator Kelly is also a member of the Committee on Environment and Public Works and the Committee on Energy and Natural Resources, where he shaped the <u>Surface Transportation Reauthorization Act</u>, the <u>Energy Infrastructure Act</u>, and the <u>Drinking Water and Wastewater Infrastructure Act of 2021</u> -- three bipartisan bills that form the backbone of the <u>Infrastructure Investment and Jobs Act</u>.

The Infrastructure Investment and Jobs Act includes:

- \$110 billion to repair <u>bridges and roads</u> and build major highway projects, including unsafe <u>rural</u> roads, \$5 billion is expected to go to Arizona for federal-aid highway apportioned programs and \$225 million for bridge replacement and repair;
- **\$65 billion** to expand affordable, high-speed internet access, with at least \$100 million expected to go to Arizona;
- **\$55 billion** for drinking and wastewater <u>infrastructure</u>, with key funding for Arizona programs and projects;
- \$8.3 billion for western <u>water infrastructure</u>, with specific funds going towards repairing aging dams in Arizona and funding the Drought Contingency Plan, among other things;
- \$65 billion to improve grid reliability and resiliency and allow for the increased use of renewables, as well as a <u>Kelly-authored</u> bill to expand the use of energy management initiatives;
- \$39.2 billion for public transit and \$66 billion for passenger and freight rail, \$884.3 million of which will go to Arizona transit systems;
- \$25 billion for airports:
- **\$8.25 billion** for wildfire management, including increasing firefighter pay and a Kellyauthored <u>bill</u> to study and recommend wildland fire prevention, suppression, management, and rehabilitation policies; and
- \$3.85 billion for land ports of entry, including \$147 million for the San Luis Port of Entry, \$216 million for the new Douglas Port of Entry, and \$184 million for rehabilitation at the current Douglas Port of Entry.

<u>See below for how Senator Kelly delivered for Arizona in the Infrastructure Investment and Jobs Act:</u>



In addition to the three bills above, the following pieces of legislation, sponsored or cosponsored by Senator Kelly, are included in the Infrastructure Investment and Jobs Act:

- Kelly's <u>Demand-Response Management Act of 2021</u> to enhance grid reliability and reduce consumer costs was included in the base text of the <u>Infrastructure Investment</u> and Jobs Act.
- The <u>Wildland Fire Mitigation and Management Commission Act</u> that Kelly introduced with Senator Romney to bring together experts to study and recommend improvements to federal wildfire mitigation and response was included in the base text of the <u>Infrastructure Investment and Jobs Act</u>.
- The <u>ROCKS Act</u> that Kelly introduced with Senator Portman to advance the use of locally sourced aggregates like sand, stone, and gravel was included in the base text of the <u>Infrastructure Investment and Jobs Act</u>.
- The <u>Fixing Infrastructure Damaged by Disasters Act</u> that Kelly introduced with Senator Cornyn to allow states to apply for emergency relief funds if their roadways are damaged by wildfires or severe storms, was included in the base text of the <u>Infrastructure</u> <u>Investment and Jobs Act</u>.
- Kelly's <u>High Risk Rural Road Safety Act</u>, which creates a dedicated set-aside for safety projects on high-risk rural roads was included in the base text of the *Infrastructure* Investment and Jobs Act.
- Kelly's and Senator Lummis's <u>amendment</u> to include their *Highway Cost Allocation* Study Act of 2021 that would require the Secretary of Transportation to conduct the first study on vehicular highway use in nearly 25 years passed the Senate on a 95-3 vote.

Transportation - As a member the Environment and Public Works (EPW) Committee, Senator Kelly cosponsored and shaped the <u>Surface Transportation Reauthorization Act</u> that forms the backbone of the transportation components. Kelly secured the following priorities to fix roads and bridges and expand transit in Arizona:

- The bill provides \$5.3 billion in formula funding to the Arizona Department of
 Transportation to be invested in road and bridge projects throughout the State of Arizona
 over the next five years. Kelly wrote to the EPW Committee in May supporting the
 creation of a new Bridge Investment Program that will benefit Arizona, which has 132
 structurally deficient bridges.
- The bill provides \$2 billion for a new discretionary Rural Surface Transportation Grant Program, which includes \$300 million for high-risk rural road safety programs. This language is based off of Kelly's <u>High Risk Rural Road Safety Act</u>.



- The bill provides \$884.3 million in formula funding for public transportation systems in Arizona, including \$499.3 million for Valley Metro in the Phoenix Area, \$118 million for SunTran in Tucson, \$21 million for YCAT in Yuma, \$20.5 million for Mountain Line in Northern Arizona, \$11.1 million for Yavapai Regional Transit in the Prescott area, \$7.5 million for Central Arizona Regional Transit in the Casa Grande area, \$7.2 million for Lake Havasu City Transit, \$6.5 million for Vista Transit in Sierra Vista. The bill also provides an additional \$8 billion over 5-years for the Capital Investment Grant program, which funds high-cost public transportation capital investments, including the Northwest Valley Light Rail Extension, the Tempe Streetcar, and the South Central Light Rail Expansion.
- The bill creates a new \$1 billion National Infrastructure Project Assistance program, which provides discretionary funding to states and localities to complete the planning, environmental review, and construction of projects of regional or national significance, which cannot be funded by a state or locality with just formula dollars. This guarantees Arizona has access to the necessary federal resources to begin work on the I-10 expansion or I-11 projects.

Western Water Infrastructure: As water levels fall in Lakes Mead and Powell and the drought worsens, Senator Kelly has made it a priority to fund the infrastructure improvements needed to make Arizona more resilient to drought. Through his work as a member of the Energy and Natural Resources Committee working on the *Energy Infrastructure Act*, and the G22 working groups focused on water, Kelly secured the following:

- \$3.2 billion for the Aging Infrastructure Account at the Bureau of Reclamation for the maintenance of Reclamation-built water infrastructure projects across the West that are in need of major upgrades or replacement. This will fully fund the backlog in that account, including hundreds of millions of dollars for more than 150 projects in Arizona and the greater Yuma region to improve water efficiency by repairing aging dams, canals, aqueducts, and pumping plants.
- \$2.5 billion to fully fund enacted Indian Water Rights Settlements that have been waiting
 on Congress to receive full funding to complete related tribal water infrastructure
 projects. This includes settlements for the Gila River Indian Community, the Tohono
 O'odham Nation, and the White Mountain Apache Tribe.
- \$250 million to fully fund the Lower Basin Drought Contingency Plan, which will help keep water in Lake Mead to avoid deeper cutbacks in Arizona's Colorado River water deliveries. An additional \$50 million is included for drought mitigation relating to Lake Powell and the Upper Basin.
- \$1.15 billion for water storage, groundwater storage, and conveyance.
- \$1 billion in "Title XVI" grants for water recycling infrastructure to states, tribes, and local governments including \$450 million in grants for large water recycling projects.
- \$250 million for Bureau of Reclamation grants for desalination projects.
- \$400 million for WaterSMART grants, a program operated by the Bureau of Reclamation to promote water efficiency for farmers and irrigation systems, such as lining canals.



 \$500 million for environmental and ecosystem restoration projects at the Bureau of Reclamation, including \$50 million for Colorado River endangered species recovery and conservation programs under the Grand Canyon Protection Act of 1992 and the Lower Colorado River Multi Species Conservation Program.

Wildfire Management: Arizona experienced a historic wildfire season, and Senator Kelly visited burn areas in Flagstaff and <u>Globe</u>. Kelly was a principal member of the G22 working group that developed the wildfire management provisions. Many of these provisions appeared in the <u>Energy Infrastructure Act</u> that was passed by Kelly and his colleagues through the Energy and Natural Resources Committee. The Infrastructure Investment and Jobs Act would authorize and appropriate over \$8.25 billion for wildfire management and, in addition to his <u>Wildland Fire Mitigation and Management Commission Act</u>, includes the following Kelly priorities:

- \$2.4 billion for programs at the USDA Forest Service and the Department of the Interior to reduce hazardous fuels on federal, state, and tribal lands. This funding will go toward completing mechanic thinning, prescribed fire, firebreaks, Good Neighbor Agreements, and forest stewardship contracts greater than 10,000 acres.
- The bill includes funding for new programs that are tailored to assist large, landscapescale forest restoration projects, including the Four Forests Restoration Initiative. This includes:
 - \$400 million program at Forest Service to provide financial assistance to sawmills and wood products facilities that support forest restoration operations including those in Arizona.
 - \$100 million for a Working Capital Fund to cover contract cancelation costs associated with forest stewardship contracts.
 - \$100 million to build, maintain, and decommission forest roads that are limited to supporting ecosystem restoration projects. Maintaining these roads is necessary for trucks to access restoration sites and haul materials from forest thinning projects.
 - \$60 million for grants under the USDA Community Wood Energy and Wood Innovation Grant program to promote the use of wood biomass energy and the use of wood in construction materials.
- \$1 billion for Community Wildfire Defense Grants to help at-risk forest communities build defensible space against wildfires.
- \$600 million to hire more federal wildland firefighters, which can be used for pay raises and provide mental health services. An additional \$100 million will go to grants to state, local, and volunteer fire departments for wildfire preparedness.
- \$300 million for the Emergency Watershed Protection Program at the USDA Natural Resources Conservation Service. This account is used to conduct post-fire flood prevention on non-federal land impacted by fires such as those impacting Gila County and Coconino County in the Telegraph and Museum fires.
- \$20 million for the Southwest Ecological Restoration Institutes, which includes Northern Arizona University, to assist with forest restoration projects. Kelly toured NAU's ecological restoration program this spring.



High-Speed Internet Access: Senator Kelly understands that access to affordable, reliable high-speed internet access is a necessity for students, small business owners, and families to succeed and supported the following investments:

- \$42.45 billion in block grants to states for the purpose of broadband deployment, with an emphasis on unserved or underserved communities, with a dedicated set-aside for states like Arizona which have a number of rural communities where construction costs for broadband projects are higher.
- \$1 billion in discretionary grants for "Middle Mile" broadband projects, which seek to narrow the gap between a community and access to high-speed broadband infrastructure.
- \$14.2 billion for the creation of a permanent Affordable Connectivity Benefit program, which will provide a \$30 per month voucher to low-income families to be used to afford internet access.

Drinking and Wastewater Infrastructure: Senator Kelly understands how important upgrading and expanding drinking and wastewater infrastructure is to supporting Arizona's continued growth. Kelly was a principal member of the G22 working group that developed the following water provisions, which were based on the <u>Drinking Water and Wastewater Infrastructure Act of 2021</u> that Kelly cosponsored and passed out of the Environment and Public Works Committee:

- \$210.8 million annually for Arizona from the EPA's Drinking Water State Revolving Loan fund, which provides much-needed funding to help public and private drinking water systems finance significant infrastructure investments.
- \$79.6 million annually for Arizona from the EPA's Clean Water State Revolving Loan Fund, which provides much-needed funding to help public wastewater systems finance significant infrastructure investments.
- \$10 billion for PFAS remediation and cleanup, which will be allocated to state
 Departments of Environmental Qualify as no-cost grants. Kelly has spent months
 highlighting the challenges Arizona communities in the Phoenix and Tucson metro areas
 face from PFAS, especially in our groundwater aquifers, and fought for grant funding to
 be allocated through the following mechanisms:
 - \$5 billion for the State Response to Contaminants grant program within EPA's Small and Disadvantaged Communities program to address PFAS contamination in small or disadvantaged communities.
 - \$4 billion for the existing program within the Drinking Water State Revolving Fund (DWSRF) for grants that address "emerging contaminants," with a focus on PFAS, at drinking water facilities. Based on current allocations, Arizona will receive approximately \$72 million in PFAS remediation funding for drinking water systems each year.



- \$1 billion directed to a set-aside within the Clean Water State Revolving Fund to address "emerging contaminants," such as PFAS at wastewater facilities and in groundwater aquifers. Based on current allocations, Arizona will receive approximately \$6.8 million in PFAS remediation funding for groundwater and wastewater systems per year.
- \$125 million for the EPA's Pilot Program for Alternative Water Source Projects, which funds projects for water, wastewater, or storm water reuse or groundwater recharge projects. Kelly championed the inclusion of this program in the bill, which provide a critical source of funds for water reuse programs in Arizona.
- \$280 million for the EPA's Sewer Overflow and Stormwater Reuse Municipal Grants, which funds a discretionary grant program to help cities, towns, and counties invest in infrastructure to prevent sewer or stormwater overflows which could pose a risk to public health. Kelly secured language to ensure that the EPA Administrator accounted for the unique needs of border communities, including Nogales and other communities in southern Arizona.
- \$250 million for public drinking water and wastewater systems to invest in resiliency
 measures to protect against climate change, including drought resiliency, and
 cybersecurity improvements to protect critical infrastructure from cyber threats. The bill
 also includes the first-ever requirement that EPA provide water and wastewater systems
 with clear guidelines for how to protect their systems from cyber threats.

Ports of Entry: After visiting ports of entry in <u>Yuma</u>, <u>Douglas</u>, and <u>Nogales</u>, Senator Kelly made it a priority to fund ports of entry modernization to improve border security, reduce wait times, and better facilitate trade. Senator Kelly secured the following:

\$3.85 billion to modernize and improve Land Ports of Entry at our nation's Northern and Southwest Border. The funds are split between General Services Administration (GSA) and Customs and Border Protection (CBP). The funds will allow GSA and CBP to execute construction and modernization at all ports on CBP's Five-Year Plan as well as those identified as a priority for upgrades. Included on this list are \$147 million for the San Luis Port of Entry, \$216 million for the new Douglas Port of Entry, and \$184 million for rehab at the current Douglas Port of Entry, meaning those three projects are fully funded.

Tribal Water, Broadband, and Transportation Infrastructure: Senator Kelly has visited and met with Arizona tribal leaders and advocated for the infrastructure needs of Arizona's tribal communities, including securing:

\$2.5 billion to fully fund enacted Indian Water Rights Settlements that have been waiting
on Congress to receive full funding to complete related tribal water infrastructure
projects. This includes settlements for the Gila River Indian Community, the Tohono
O'odham Nation, and the White Mountain Apache Tribe.



- \$3.5 billion for IHS Sanitation Facilities Construction Program, which will fully fund the infrastructure backlog for all IHS operated water and wastewater facilities in tribal communities. This would improve sanitation for approximately 15,000 Navajo homes, and thousands of other homes in tribal communities across Arizona.
- \$2 billion for the Tribal Broadband Connectivity Program within NTIA to provide grants to Native American, Alaska Native, and Native Hawaiian entities for broadband deployment and digital inclusion projects.
- \$3 billion for the Tribal Transportation Program, which provides dedicated funding for transportation projects in tribal communities. Kelly <u>wrote</u> to the Committee on Environment and Public Works (EPW) leadership in May supporting funding for the Tribal Transportation Program.
- \$150 million to reestablish the Tribal High Priority Projects Program, which provides
 discretionary funding above a tribe's annual formula allocation to find high-cost projects
 in tribal communities. In May, Kelly <u>urged</u> EPW leadership to support the
 reestablishment of the program, which has not been funded since 2012.
- \$330 million for the Nationally Significant Federal Lands and Tribal Projects Programs,
 which provides funding for federal land management agencies and tribal communities to
 fund priority infrastructure improvement projects. 38.5 percent of Arizona is federal or
 tribal land, making these funds critical for infrastructure improvements in many parts of
 rural Arizona. Senator Kelly advocated for increased funding for the NSFLTP program in
 May of this year.
- \$250 million for the EPA's Indian Reservation Drinking Water Program, which provides
 discretionary grants for tribal drinking and wastewater infrastructure upgrades. At Kelly's
 urging, the program guarantees that at least 10 projects from Arizona tribes in the Lower
 Colorado River Basin will be funded annually.
- Section 14009 of the Infrastructure Investment and Jobs Act would create an Office of Tribal Government Affairs within the Department of Transportation, which would oversee the Tribal Transportation Self-Governance Program (TTSGP), coordinate tribal transportation programs and activities across all DOT agencies and programs, and participate in any negotiated rulemaking that affects tribal projects, programs, or TTSGP funding. Kelly wrote to EPW leadership in May urging that this office be created.

Advancing Economic Opportunities and Public Health for Communities of Color: In addition to the pollution reducing investments in electric vehicle charging, transit, and the power grid, Senator Kelly worked to include provisions to clean up legacy pollution and abandoned mines, replace lead pipes, reconnect divided communities, and additional priorities to advance economic opportunities and public health for communities disproportionately impacted by pollution and climate change:

 \$15 billion for lead pipe removal, which will be allocated to State Departments of Environmental Quality through the Drinking Water State Revolving Loan Fund. The agreement secured by Kelly and others in the water working group ensures states can receive these funds without having to provide matching dollars. Based on current allocations, Arizona will receive \$54 million per year to remove lead pipes.



- \$1 billion for the first-ever program to reconnect communities that have been divided by transportation infrastructure, destroying homes and gathering places causing long-term disconnection and divestment.
- \$500 million for the Healthy Streets Program, which would provide discretionary grants to states, MPOs, cities, and tribes for investments in cool pavement and tree cover programs to lower temperatures on sidewalks and city streets. Phoenix has more cool pavement deployed than any other city in the nation.
- \$3.5 billion for the Hazardous Substance Superfund to allow for the EPA to fund shovelready cleanup projects at Superfund sites. This language waives the state or tribal costshare requirements to allow for funding to be spent more quickly, and Kelly included
 specific language to require the EPA Administrator to take into account the unique needs
 of tribal communities, including the Navajo Nation's Abandoned Uranium Mines, which
 have historically been underfunded in the superfund process.
- \$1.5 billion for the Brownfields program, to help states, tribes, and localities assess, safely clean up, and sustainably reuse contaminated properties. All state cost-share requirements have been waived.
- \$7.5 billion in discretionary funding for school districts to replace diesel-burning school busses with zero- or low-emission school busses, with a priority on low income, rural, and tribal communities.

Fixing the Federal Permitting Process: As a member of the Senate Committee on Environment and Public Works and a principal member of the G22 permitting reform working group, Senator Kelly crafted key provisions of the Infrastructure Investment and Jobs Act which streamline the federal permitting and project approval process:

- The Kelly-supported <u>Federal Permitting Reform and Jobs Act</u>, which permanently reauthorizes the FAST-41 fast-track permitting process, to help certain infrastructure projects be approved on an expedited timeline in partnership with federal agencies, and improved the Federal Permitting Improvements Steering Council, a whole-of-government working group dedicated to improving transparency and accountability within the federal permitting process.
- The Kelly-supported <u>Surface Transportation Reauthorization Act</u> codifies the "One Federal Decision" process for major transportation projects, which encourages federal agencies to coordinate on permitting decisions for any federal highways project upon which multiple agencies have NEPA obligations, and requires federal agencies to complete the permitting process within 2-years of enactment.